

House Amendment 1417

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1 1 Amend House File 841 as follows:
1 2 #1. By striking everything after the enacting
1 3 clause and inserting the following:
1 4 <DIVISION I
1 5 IOWACARE
1 6 Section 1. NEW SECTION. 249J.1 TITLE.
1 7 This chapter shall be known and may be cited as the
1 8 "Iowacare Act".
1 9 Sec. 2. NEW SECTION. 249J.2 FEDERAL FINANCIAL
1 10 PARTICIPATION == CONTINGENT IMPLEMENTATION.
1 11 This chapter shall be implemented only to the
1 12 extent that federal matching funds are available for
1 13 nonfederal expenditures under this chapter. The
1 14 department shall not expend funds under this chapter,
1 15 including but not limited to expenditures for
1 16 reimbursement of providers and program administration,
1 17 if appropriated nonfederal funds are not matched by
1 18 federal financial participation.
1 19 Sec. 3. NEW SECTION. 249J.3 DEFINITIONS.
1 20 As used in this chapter, unless the context
1 21 otherwise requires:
1 22 1. "Clean claim" means a claim submitted by a
1 23 provider included in the expansion population provider
1 24 network that may be adjudicated as paid or denied.
1 25 2. "Department" means the department of human
1 26 services.
1 27 3. "Director" means the director of human
1 28 services.
1 29 4. "Expansion population" means the individuals
1 30 who are eligible solely for benefits under the medical
1 31 assistance program waiver as provided in this chapter.
1 32 5. "Full benefit dually eligible Medicare Part D
1 33 beneficiary" means a person who is eligible for
1 34 coverage for Medicare Part D drugs and is
1 35 simultaneously eligible for full medical assistance
1 36 benefits pursuant to chapter 249A, under any category
1 37 of eligibility.
1 38 6. "Full benefit recipient" means an adult who is
1 39 eligible for full medical assistance benefits pursuant
1 40 to chapter 249A under any category of eligibility.
1 41 7. "Iowa Medicaid enterprise" means the
1 42 centralized medical assistance program infrastructure,
1 43 based on a business enterprise model, and designed to
1 44 foster collaboration among all program stakeholders by
1 45 focusing on quality, integrity, and consistency.
1 46 8. "Medical assistance" or "Medicaid" means
1 47 payment of all or part of the costs of care and
1 48 services provided to an individual pursuant to chapter
1 49 249A and Title XIX of the federal Social Security Act.
2 1 9. "Medicare Part D" means the Medicare Part D
2 2 Prescription Drug, Improvement, and Modernization Act
2 3 of 2003, Pub. L. No. 108=173.
2 4 10. "Minimum data set" means the minimum data set
2 5 established by the centers for Medicare and Medicaid
2 6 services of the United States department of health and
2 7 human services for nursing home resident assessment
2 8 and care screening.
2 9 11. "Nursing facility" means a nursing facility as
2 10 defined in section 135C.1.
2 11 12. "Public hospital" means a hospital licensed
2 12 pursuant to chapter 135B and governed pursuant to
2 13 chapter 145A, 226, 347, 347A, or 392.
2 14 Sec. 4. NEW SECTION. 249J.4 PURPOSE.
2 15 It is the purpose of this chapter to propose a
2 16 variety of initiatives to increase the efficiency,
2 17 quality, and effectiveness of the health care system;
2 18 to increase access to appropriate health care; to
2 19 provide incentives to consumers to engage in
2 20 responsible health care utilization and personal
2 21 health care management; to reward providers based on
2 22 quality of care and improved service delivery; and to
2 23 encourage the utilization of information technology,
2 24 to the greatest extent possible, to reduce

2 25 fragmentation and increase coordination of care and
2 26 quality outcomes.

2 27 DIVISION II
2 28 MEDICAID EXPANSION

2 29 Sec. 5. NEW SECTION. 249J.5 EXPANSION POPULATION
2 30 ELIGIBILITY.

2 31 1. Except as otherwise provided in this chapter,
2 32 an individual nineteen through sixty-four years of age
2 33 shall be eligible solely for the expansion population
2 34 benefits described in this chapter when provided
2 35 through the expansion population provider network as
2 36 described in this chapter, if the individual meets all
2 37 of the following conditions:

2 38 a. The individual is not eligible for coverage
2 39 under the medical assistance program in effect on
2 40 April 1, 2005, or was eligible for coverage under the
2 41 medical assistance program in effect on April 1, 2005,
2 42 but chose not to enroll in that program.

2 43 b. The individual has a family income at or below
2 44 two hundred percent of the federal poverty level as
2 45 defined by the most recently revised poverty income
2 46 guidelines published by the United States department
2 47 of health and human services.

2 48 c. The individual fulfills all other conditions of
2 49 participation for the expansion population described
2 50 in this chapter, including requirements relating to
3 1 personal financial responsibility.

3 2 2. Individuals otherwise eligible solely for
3 3 family planning benefits authorized under the medical
3 4 assistance family planning services waiver, effective
3 5 January 1, 2005, as described in 2004 Iowa Acts,
3 6 chapter 1175, section 116, subsection 8, may also be
3 7 eligible for expansion population benefits provided
3 8 through the expansion population provider network.

3 9 3. Individuals with family incomes below three
3 10 hundred percent of the federal poverty level as
3 11 defined by the most recently revised poverty income
3 12 guidelines published by the United States department
3 13 of health and human services shall also be eligible
3 14 for obstetrical and newborn care under the expansion
3 15 population if deductions for the medical expenses of
3 16 all family members would reduce the family income to
3 17 two hundred percent of the federal poverty level or
3 18 below. Such individuals shall be eligible for the
3 19 same benefits as those provided to individuals
3 20 eligible under section 135.152. Eligible individuals
3 21 may choose to receive the appropriate level of care at
3 22 any licensed hospital or health care facility, with
3 23 the exception of individuals in need of such care
3 24 residing in the counties of Cedar, Clinton, Iowa,
3 25 Johnson, Keokuk, Louisa, Muscatine, Scott, and
3 26 Washington, who shall be provided care at the
3 27 university of Iowa hospitals and clinics.

3 28 4. Enrollment for the expansion population may be
3 29 limited, closed, or reduced and the scope and duration
3 30 of expansion population services provided may be
3 31 limited, reduced, or terminated if the department
3 32 determines that federal medical assistance program
3 33 matching funds or appropriated state funds will not be
3 34 available to pay for existing or additional
3 35 enrollment.

3 36 5. Eligibility for the expansion population shall
3 37 not include individuals who have access to group
3 38 health insurance, unless the reason for not accessing
3 39 group health insurance is allowed by rule of the
3 40 department.

3 41 6. Each expansion population member shall provide
3 42 to the department all insurance information required
3 43 by the health insurance premium payment program.

3 44 7. The department shall contract with the county
3 45 general assistance directors to perform intake
3 46 functions for the expansion population, but only at
3 47 the discretion of the individual county general
3 48 assistance director.

3 49 Sec. 6. NEW SECTION. 249J.6 EXPANSION POPULATION
3 50 BENEFITS.

4 1 1. Beginning July 1, 2005, the expansion
4 2 population shall be eligible for all of the following
4 3 expansion population services:

4 4 a. Inpatient hospital procedures described in the
4 5 diagnostic related group codes or other applicable

4 6 inpatient hospital reimbursement methods designated by
4 7 the department.

4 8 b. Outpatient hospital services described in the
4 9 ambulatory patient groupings or noninpatient services
4 10 designated by the department.

4 11 c. Physician and advanced registered nurse
4 12 practitioner services described in the current
4 13 procedural terminology codes specified by the
4 14 department.

4 15 d. Dental services described in the dental codes
4 16 specified by the department.

4 17 e. Limited pharmacy benefits provided by an
4 18 expansion population provider network hospital
4 19 pharmacy and solely related to an appropriately billed
4 20 expansion population service.

4 21 f. Transportation to and from an expansion
4 22 population provider network provider only if the
4 23 provider offers such transportation services or the
4 24 transportation is provided by a volunteer.

4 25 2. Beginning no later than March 1, 2006, all
4 26 expansion population members shall complete a single
4 27 comprehensive medical examination and personal health
4 28 improvement plan within ninety days of enrollment in
4 29 the expansion population. An expansion population
4 30 member who enrolls in the expansion population prior
4 31 to March 1, 2006, shall complete the comprehensive
4 32 medical examination and the personal health
4 33 improvement plan by June 1, 2006. These services may
4 34 be provided by an expansion population provider
4 35 network physician, advanced registered nurse
4 36 practitioner, or physician assistant or any other
4 37 physician, advanced registered nurse practitioner, or
4 38 physician assistant, available to any full benefit
4 39 recipient including but not limited to such providers
4 40 available through a free clinic under a contract with
4 41 the department to provide these services or through
4 42 federally qualified health centers or rural health
4 43 clinics that employ a physician.

4 44 3. Beginning no later than July 1, 2006, expansion
4 45 population members shall be provided all of the
4 46 following:

4 47 a. Access to a pharmacy assistance clearinghouse
4 48 program to match expansion population members with
4 49 free or discounted prescription drug programs provided
4 50 by the pharmaceutical industry.

5 1 b. Access to a medical information hotline,
5 2 accessible twenty-four hours per day, seven days per
5 3 week, to assist expansion population members in making
5 4 appropriate choices about the use of emergency room
5 5 and other health care services.

5 6 4. Membership in the expansion population shall
5 7 not preclude an expansion population member from
5 8 eligibility for services not covered under the
5 9 expansion population for which the expansion
5 10 population member is otherwise entitled under state or
5 11 federal law.

5 12 5. Members of the expansion population shall not
5 13 be considered full benefit dually eligible Medicare
5 14 Part D beneficiaries for the purposes of calculating
5 15 the state's payment under Medicare Part D, until such
5 16 time as the expansion population is eligible for all
5 17 of the same benefits as full benefit recipients under
5 18 the medical assistance program.

5 19 Sec. 7. NEW SECTION. 249J.7 EXPANSION POPULATION
5 20 PROVIDER NETWORK.

5 21 1. Expansion population members shall only be
5 22 eligible to receive expansion population services
5 23 through a provider included in the expansion
5 24 population provider network. Except as otherwise
5 25 provided in this chapter, the expansion population
5 26 provider network shall be limited to a publicly owned
5 27 acute care teaching hospital located in a county with
5 28 a population over three hundred fifty thousand, the
5 29 university of Iowa hospitals and clinics, and the
5 30 state hospitals for persons with mental illness
5 31 designated pursuant to section 226.1 with the
5 32 exception of the programs at such state hospitals for
5 33 persons with mental illness that provide substance
5 34 abuse treatment, serve geriatric-psychiatric patients, or
5 35 treat sexually violent predators.

5 36 2. Expansion population services provided to

5 37 expansion population members by providers included in
5 38 the expansion population provider network shall be
5 39 payable at the full benefit recipient rates.

5 40 3. Providers included in the expansion population
5 41 provider network shall submit clean claims within ten
5 42 days of the date of provision of an expansion
5 43 population service to an expansion population member.

5 44 4. Unless otherwise prohibited by law, a provider
5 45 under the expansion population provider network may
5 46 deny care to an individual who refuses to apply for
5 47 coverage under the expansion population.

5 48 Sec. 8. NEW SECTION. 249J.8 EXPANSION POPULATION
5 49 MEMBERS == FINANCIAL PARTICIPATION.

5 50 1. Beginning July 1, 2005, each expansion
6 1 population member shall pay a monthly premium not to
6 2 exceed one-twelfth of five percent of the member's
6 3 annual family income to be paid on the last day of the
6 4 month of coverage. The department shall deduct the
6 5 amount of any monthly premiums paid by an expansion
6 6 population member for benefits under the healthy and
6 7 well kids in Iowa program when computing the amount of
6 8 monthly premiums owed under this subsection. An
6 9 expansion population member shall pay the monthly
6 10 premium during the entire period of the member's
6 11 enrollment. However, regardless of the length of
6 12 enrollment, the member is subject to payment of the
6 13 premium for a minimum of four consecutive months.
6 14 Timely payment of premiums, including any arrearages
6 15 accrued from prior enrollment, is a condition of
6 16 receiving any expansion population services. Premiums
6 17 collected under this subsection shall be deposited in
6 18 the premiums subaccount of the account for health care
6 19 transformation created pursuant to section 249J.22.
6 20 An expansion population member shall also pay the same
6 21 copayments required of other adult recipients of
6 22 medical assistance.

6 23 2. The department may reduce the required out-of-
6 24 pocket expenditures for an individual expansion
6 25 population member based upon the member's increased
6 26 wellness activities such as smoking cessation or
6 27 compliance with the personal health improvement plan
6 28 completed by the member.

6 29 3. The department shall submit to the governor and
6 30 the general assembly by March 15, 2006, a design for
6 31 each of the following:

6 32 a. An insurance cost subsidy program for expansion
6 33 population members who have access to employer health
6 34 insurance plans, provided that the design shall
6 35 require that no less than fifty percent of the cost of
6 36 such insurance shall be paid by the employer.

6 37 b. A health care account program option for
6 38 individuals eligible for enrollment in the expansion
6 39 population. The health care account program option
6 40 shall be available only to adults who have been
6 41 enrolled in the expansion population for at least
6 42 twelve consecutive calendar months. Under the health
6 43 care account program option, the individual would
6 44 agree to exchange one year's receipt of benefits under
6 45 the expansion population to which the individual would
6 46 otherwise be entitled for a credit of up to a
6 47 specified amount toward any medical assistance program
6 48 covered service. The balance in the health care
6 49 account at the end of the year, if any, would be
6 50 available for withdrawal by the individual.

7 1 Sec. 9. NEW SECTION. 249J.9 FUTURE EXPANSION
7 2 POPULATION, BENEFITS, AND PROVIDER NETWORK GROWTH.

7 3 1. POPULATION. The department shall contract with
7 4 the division of insurance of the department of
7 5 commerce or another appropriate entity to track, on an
7 6 annual basis, the number of uninsured and underinsured
7 7 Iowans, the cost of private market insurance coverage,
7 8 and other barriers to access to private insurance for
7 9 Iowans. Based on these findings and available funds,
7 10 the department shall make recommendations, annually,
7 11 to the governor and the general assembly regarding
7 12 further expansion of the expansion population.

7 13 2. BENEFITS.

7 14 a. The department shall not provide services to
7 15 expansion population members that are in addition to
7 16 the services originally designated by the department
7 17 pursuant to section 249J.6, without express

7 18 authorization provided by the general assembly.
7 19 b. The department, upon the recommendation of the
7 20 clinicians advisory panel established pursuant to
7 21 section 249J.17, may change the scope and duration of
7 22 any of the available expansion population services,
7 23 but this subsection shall not be construed to
7 24 authorize the department to make expenditures in
7 25 excess of the amount appropriated for benefits for the
7 26 expansion population.

7 27 3. EXPANSION POPULATION PROVIDER NETWORK.

7 28 a. The department shall not expand the expansion
7 29 population provider network unless the department is
7 30 able to pay for expansion population services provided
7 31 by such providers at the full benefit recipient rates.

7 32 b. The department may limit access to the
7 33 expansion population provider network by the expansion
7 34 population to the extent the department deems
7 35 necessary to meet the financial obligations to each
7 36 provider under the expansion population provider
7 37 network. This subsection shall not be construed to
7 38 authorize the department to make any expenditure in
7 39 excess of the amount appropriated for benefits for the
7 40 expansion population.

7 41 Sec. 10. NEW SECTION. 249J.10 MAXIMIZATION OF
7 42 FUNDING FOR INDIGENT PATIENTS.

7 43 1. Unencumbered certified local matching funds may
7 44 be used to cover the state share of the cost of
7 45 services for the expansion population.

7 46 2. The department of human services shall include
7 47 in its annual budget submission, recommendations
7 48 relating to a disproportionate share hospital and
7 49 graduate medical education allocation plan that
7 50 maximizes the availability of federal funds for
8 1 payments to hospitals for the care and treatment of
8 2 indigent patients.

8 3 3. If state and federal law and regulations so
8 4 provide and if federal disproportionate share hospital
8 5 funds and graduate medical education funds are
8 6 available under Title XIX of the federal Social
8 7 Security Act, federal disproportionate share hospital
8 8 funds and graduate medical education funds shall be
8 9 distributed as specified by the department.

8 10 DIVISION III
8 11 REBALANCING LONG-TERM CARE

8 12 Sec. 11. NEW SECTION. 249J.11 NURSING FACILITY
8 13 LEVEL OF CARE DETERMINATION FOR FACILITY-BASED AND
8 14 COMMUNITY-BASED SERVICES.

8 15 The department shall amend the medical assistance
8 16 state plan to provide for all of the following:

8 17 1. That nursing facility level of care services
8 18 under the medical assistance program shall be
8 19 available to an individual admitted to a nursing
8 20 facility on or after July 1, 2005, who meets
8 21 eligibility criteria for the medical assistance
8 22 program pursuant to section 249A.3, if the individual
8 23 also meets any of the following criteria:

8 24 a. Based upon the minimum data set, the individual
8 25 requires limited assistance, extensive assistance, or
8 26 has total dependence on assistance, provided by the
8 27 physical assistance of one or more persons, with three
8 28 or more activities of daily living as defined by the
8 29 minimum data set.

8 30 b. Based on the minimum data set, the individual
8 31 requires the establishment of a safe, secure
8 32 environment due to moderate or severe impairment of
8 33 cognitive skills for daily decision making.

8 34 c. The individual has established a dependency
8 35 requiring residency in a medical institution for more
8 36 than one year.

8 37 2. That an individual admitted to a nursing
8 38 facility prior to July 1, 2005, and an individual
8 39 applying for home and community-based services waiver
8 40 services at the nursing facility level of care on or
8 41 after July 1, 2005, who meets the eligibility criteria
8 42 for the medical assistance program pursuant to section
8 43 249A.3, shall also meet any of the following criteria:

8 44 a. Based on the minimum data set, the individual
8 45 requires supervision or limited assistance, provided
8 46 by the physical assistance of not more than one
8 47 person, for one or more activities of daily living as
8 48 defined by the minimum data set.

8 49 b. Based on the minimum data set, the individual
8 50 requires the establishment of a safe, secure
9 1 environment due to modified independence or moderate
9 2 impairment of cognitive skills for daily decision
9 3 making.

9 4 3. That, beginning July 1, 2005, if nursing
9 5 facility level of care is determined to be medically
9 6 necessary for an individual and the individual meets
9 7 the nursing facility level of care requirements for
9 8 home and community-based services waiver services
9 9 under subsection 2, but appropriate home and
9 10 community-based services are not available to the
9 11 individual in the individual's community at the time
9 12 of the determination or the provision of available
9 13 home and community-based services to meet the skilled
9 14 care requirements of the individual is not cost=
9 15 effective, the criteria for admission of the
9 16 individual to a nursing facility for nursing facility
9 17 level of care services shall be the criteria in effect
9 18 on June 30, 2005. The department of human services
9 19 shall establish the standard for determining cost=
9 20 effectiveness of home and community-based services
9 21 under this subsection.

9 22 Sec. 12. NEW SECTION. 249J.12 SERVICES FOR
9 23 PERSONS WITH MENTAL RETARDATION OR DEVELOPMENTAL
9 24 DISABILITIES.

9 25 1. The department, in cooperation with the Iowa
9 26 state association of counties, the Iowa association of
9 27 community providers, and other interested parties,
9 28 shall develop a plan for a case-mix adjusted
9 29 reimbursement system under the medical assistance
9 30 program for both institution-based and community-based
9 31 services for persons with mental retardation or
9 32 developmental disabilities for submission to the
9 33 general assembly by January 1, 2007. The department
9 34 shall not implement the case-mix adjusted
9 35 reimbursement system plan without express
9 36 authorization by the general assembly.

9 37 2. The department, in consultation with the Iowa
9 38 state association of counties, the Iowa association of
9 39 community providers, and other interested parties,
9 40 shall develop a plan for submission to the governor
9 41 and the general assembly no later than July 1, 2007,
9 42 to enhance alternatives for community-based care for
9 43 individuals who would otherwise require care in an
9 44 intermediate care facility for persons with mental
9 45 retardation. The plan shall not be implemented
9 46 without express authorization by the general assembly.

9 47 Sec. 13. NEW SECTION. 249J.13 CHILDREN'S MENTAL
9 48 HEALTH WAIVER SERVICES.

9 49 The department shall provide medical assistance
9 50 waiver services to not more than three hundred
10 1 children who meet the eligibility criteria for the
10 2 medical assistance program pursuant to section 249A.3
10 3 and also meet both of the following criteria:

10 4 1. The child requires behavioral health care
10 5 services and qualifies for the level of care provided
10 6 by a psychiatric medical institution for children.

10 7 2. The child requires treatment to cure or
10 8 alleviate a serious mental illness or disorder, or
10 9 emotional damage as evidenced by severe anxiety,
10 10 depression, withdrawal, or untoward aggressive
10 11 behavior toward the child's self or others.

10 12 DIVISION IV

10 13 HEALTH PROMOTION PARTNERSHIPS

10 14 Sec. 14. NEW SECTION. 249J.14 HEALTH PROMOTION
10 15 PARTNERSHIPS.

10 16 1. SERVICES FOR ADULTS AT STATE MENTAL HEALTH
10 17 INSTITUTES. Beginning July 1, 2005, inpatient and
10 18 outpatient hospital services at the state hospitals
10 19 for persons with mental illness designated pursuant to
10 20 section 226.1 shall be covered services under the
10 21 medical assistance program.

10 22 2. DIETARY COUNSELING. By July 1, 2006, the
10 23 department shall design and begin implementation of a
10 24 strategy to provide dietary counseling and support to
10 25 child and adult recipients of medical assistance and
10 26 to expansion population members to assist these
10 27 recipients and members in avoiding excessive weight
10 28 gain or loss and to assist in development of personal
10 29 weight loss programs for recipients and members

10 30 determined by the recipient's or member's health care
10 31 provider to be clinically overweight.
10 32 3. ELECTRONIC MEDICAL RECORDS. By October 1,
10 33 2006, the department shall develop a practical
10 34 strategy for expanding utilization of electronic
10 35 medical recordkeeping by providers under the medical
10 36 assistance program and the expansion population
10 37 provider network. The plan shall focus, initially, on
10 38 medical assistance program recipients and expansion
10 39 population members whose quality of care would be
10 40 significantly enhanced by the availability of
10 41 electronic medical recordkeeping.
10 42 4. PROVIDER INCENTIVE PAYMENT PROGRAMS. By
10 43 January 1, 2007, the department shall design and
10 44 implement a provider incentive payment program for
10 45 providers under the medical assistance program and
10 46 providers included in the expansion population
10 47 provider network based upon evaluation of public and
10 48 private sector models.
10 49 5. HEALTH ASSESSMENT FOR MEDICAL ASSISTANCE
10 50 RECIPIENTS WITH MENTAL RETARDATION OR DEVELOPMENTAL
11 1 DISABILITIES. The department shall work with the
11 2 university of Iowa colleges of medicine, dentistry,
11 3 nursing, pharmacy, and public health, and the
11 4 university of Iowa hospitals and clinics to determine
11 5 whether the physical and dental health of recipients
11 6 of medical assistance who are persons with mental
11 7 retardation or developmental disabilities are being
11 8 regularly and fully addressed and to identify barriers
11 9 to such care. The department shall report the
11 10 department's findings to the governor and the general
11 11 assembly by January 1, 2007.
11 12 6. SMOKING CESSATION. The department shall
11 13 implement a program with the goal of reducing smoking
11 14 among recipients of medical assistance who are
11 15 children to less than one percent and among recipients
11 16 of medical assistance and expansion population members
11 17 who are adults to less than ten percent, by July 1,
11 18 2007.
11 19 7. DENTAL HOME FOR CHILDREN. By July 1, 2008,
11 20 every recipient of medical assistance who is a child
11 21 twelve years of age or younger shall have a designated
11 22 dental home and shall be provided with the dental
11 23 screenings and preventive care identified in the oral
11 24 health standards under the early and periodic
11 25 screening, diagnostic, and treatment program.
11 26 8. REPORTS. The department shall report on a
11 27 quarterly basis to the medical assistance projections
11 28 and assessment council established pursuant to section
11 29 249J.19 and the council created pursuant to section
11 30 249A.4, subsection 8, regarding the health promotion
11 31 partnerships described in this section.

11 32 DIVISION V

11 33 IOWA MEDICAID ENTERPRISE

11 34 Sec. 15. NEW SECTION. 249J.15 COST AND QUALITY
11 35 PERFORMANCE EVALUATION.

11 36 Beginning July 1, 2005, the department shall
11 37 contract with an independent consulting firm to do all
11 38 of the following:

11 39 1. Annually evaluate and compare the cost and
11 40 quality of care provided by the medical assistance
11 41 program and through the expansion population with the
11 42 cost and quality of care available through private
11 43 insurance and managed care organizations doing
11 44 business in the state.

11 45 2. Annually evaluate the improvements by the
11 46 medical assistance program and the expansion
11 47 population in the cost and quality of services
11 48 provided to Iowans over the cost and quality of care
11 49 provided in the prior year.

11 50 Sec. 16. NEW SECTION. 249J.16 OPERATIONS ==
12 1 PERFORMANCE EVALUATION.

12 2 Beginning July 1, 2006, the department shall submit
12 3 a report of the results of an evaluation of the
12 4 performance of each component of the Iowa Medicaid
12 5 enterprise using the performance standards contained
12 6 in the contracts with the Iowa Medicaid enterprise
12 7 partners.

12 8 Sec. 17. NEW SECTION. 249J.17 CLINICIANS
12 9 ADVISORY PANEL == CLINICAL MANAGEMENT.

12 10 1. Beginning July 1, 2005, the medical director of

12 11 the Iowa Medicaid enterprise, with the approval of the
12 12 administrator of the division of medical services of
12 13 the department, shall assemble and act as chairperson
12 14 for a clinicians advisory panel to recommend to the
12 15 department clinically appropriate health care
12 16 utilization management and coverage decisions for the
12 17 medical assistance program and the expansion
12 18 population which are not otherwise addressed by the
12 19 Iowa medical assistance drug utilization review
12 20 commission created pursuant to section 249A.24 or the
12 21 medical assistance pharmaceutical and therapeutics
12 22 committee established pursuant to section 249A.20A.
12 23 The meetings shall be conducted in accordance with
12 24 chapter 21 and shall be open to the public except to
12 25 the extent necessary to prevent the disclosure of
12 26 confidential medical information.

12 27 2. The medical director of the Iowa Medicaid
12 28 enterprise shall report on a quarterly basis to the
12 29 medical assistance projections and assessment council
12 30 established pursuant to section 249J.19 and the
12 31 council created pursuant to section 294A.4, subsection
12 32 8, any recommendations made by the panel and adopted
12 33 by rule of the department pursuant to chapter 17A
12 34 regarding clinically appropriate health care
12 35 utilization management and coverage under the medical
12 36 assistance program and the expansion population.

12 37 3. The medical director of the Iowa Medicaid
12 38 enterprise shall prepare an annual report summarizing
12 39 the recommendations made by the panel and adopted by
12 40 rule of the department regarding clinically
12 41 appropriate health care utilization management and
12 42 coverage under the medical assistance program and the
12 43 expansion population.

12 44 Sec. 18. NEW SECTION. 249J.18 HEALTH CARE
12 45 SERVICES PRICING AND REIMBURSEMENT OF PROVIDERS.

12 46 The department shall annually collect data on
12 47 third-party payor rates in the state and, as
12 48 appropriate, the usual and customary charges of health
12 49 care providers, including the reimbursement rates paid
12 50 to providers and by third-party payors participating
13 1 in the medical assistance program and through the
13 2 expansion population. The department shall consult
13 3 with the division of insurance of the department of
13 4 commerce in adopting administrative rules specifying
13 5 the reporting format and guaranteeing the
13 6 confidentiality of the information provided by the
13 7 providers and third-party payors. The department
13 8 shall review the data and make recommendations to the
13 9 governor and the general assembly regarding pricing
13 10 changes and reimbursement rates annually by January 1.
13 11 Any recommended pricing changes or changes in
13 12 reimbursement rates shall not be implemented without
13 13 express authorization by the general assembly.

13 14 DIVISION VI
13 15 GOVERNANCE

13 16 Sec. 19. NEW SECTION. 249J.19 MEDICAL ASSISTANCE
13 17 PROJECTIONS AND ASSESSMENT COUNCIL.

13 18 1. A medical assistance projections and assessment
13 19 council is created consisting of the following
13 20 members:

13 21 a. The co-chairpersons and ranking members of the
13 22 legislative joint appropriations subcommittee on
13 23 health and human services, or a member of the
13 24 appropriations subcommittee designated by the co=
13 25 chairperson or ranking member.

13 26 b. The chairpersons and ranking members of the
13 27 human resources committees of the senate and the house
13 28 of representatives, or a member of the committee
13 29 designated by the chairperson or ranking member.

13 30 c. The chairpersons and ranking members of the
13 31 appropriations committees of the senate and the house
13 32 of representatives, or a member of the committee
13 33 designated by the chairperson or ranking member.

13 34 2. The council shall meet as often as deemed
13 35 necessary, but shall meet at least quarterly. The
13 36 council may use sources of information deemed
13 37 appropriate, and the department and other agencies of
13 38 state government shall provide information to the
13 39 council as requested. The legislative services agency
13 40 shall provide staff support to the council.

13 41 3. The council shall select a chairperson,

13 42 annually, from its membership. A majority of the
13 43 members of the council shall constitute a quorum.
13 44 4. The council shall do all of the following:
13 45 a. Make quarterly cost projections for the medical
13 46 assistance program and the expansion population.
13 47 b. Review quarterly reports on all initiatives
13 48 under this chapter, including those provisions in the
13 49 design, development, and implementation phases, and
13 50 make additional recommendations for medical assistance
14 1 program and expansion population reform on an annual
14 2 basis.
14 3 c. Review annual audited financial statements
14 4 relating to the expansion population submitted by the
14 5 providers included in the expansion population
14 6 provider network.
14 7 d. Review quarterly reports on the success of the
14 8 Iowa Medicaid enterprise based upon the contractual
14 9 performance measures for each Iowa Medicaid enterprise
14 10 partner.
14 11 e. Assure that the expansion population is managed
14 12 at all times within funding limitations. In assuring
14 13 such compliance, the council shall assume that
14 14 supplemental funding will not be available for
14 15 coverage of services provided to the expansion
14 16 population.
14 17 5. The department of human services, the
14 18 department of management, and the legislative services
14 19 agency shall utilize a joint process to arrive at an
14 20 annual consensus projection for medical assistance
14 21 program and expansion population expenditures for
14 22 submission to the council. By December 15 of each
14 23 fiscal year, the council shall agree to a projection
14 24 of expenditures for the fiscal year beginning the
14 25 following July 1, based upon the consensus projection
14 26 submitted.

14 27 DIVISION VII

14 28 ENHANCING THE FEDERAL=STATE FINANCIAL PARTNERSHIP

14 29 Sec. 20. NEW SECTION. 249J.20 PAYMENTS TO HEALTH
14 30 CARE PROVIDERS BASED ON ACTUAL COSTS.

14 31 Payments, including graduate medical education
14 32 payments, under the medical assistance program and the
14 33 expansion population to each public hospital and each
14 34 public nursing facility shall not exceed the actual
14 35 medical assistance costs of each such facility
14 36 reported on the Medicare hospital and hospital health
14 37 care complex cost report submitted to the centers for
14 38 Medicare and Medicaid services of the United States
14 39 department of health and human services. Each public
14 40 hospital and each public nursing facility shall retain
14 41 one hundred percent of the medical assistance payments
14 42 earned under state reimbursement rules. State
14 43 reimbursement rules may provide for reimbursement at
14 44 less than actual cost.

14 45 Sec. 21. NEW SECTION. 249J.21 INDEPENDENT ANNUAL
14 46 AUDIT.

14 47 The department shall contract with a certified
14 48 public accountant to provide an analysis, on an annual
14 49 basis, to the governor and the general assembly
14 50 regarding compliance of the Iowa medical assistance
15 1 program with each of the following:

15 2 1. That the state has not instituted any new
15 3 provider taxes as defined by the centers for Medicare
15 4 and Medicaid services of the United States department
15 5 of health and human services.

15 6 2. That public hospitals and public nursing
15 7 facilities are not paid more than the actual costs of
15 8 care for medical assistance program and
15 9 disproportionate share hospital program recipients
15 10 based upon Medicare program principles of accounting
15 11 and cost reporting.

15 12 3. That the state is not recycling federal funds
15 13 provided under Title XIX of the Social Security Act as
15 14 defined by the centers for Medicare and Medicaid
15 15 services of the United States department of health and
15 16 human services.

15 17 Sec. 22. NEW SECTION. 249J.22 ACCOUNT FOR HEALTH
15 18 CARE TRANSFORMATION.

15 19 1. An account for health care transformation is
15 20 created in the state treasury under the authority of
15 21 the department. Moneys received through the physician
15 22 payment adjustment as described in 2003 Iowa Acts,

15 23 chapter 112, section 11, subsection 1, and through the
15 24 adjustment to hospital payments to provide an
15 25 increased base rate to offset the high costs incurred
15 26 for providing services to medical assistance patients
15 27 as described in 2004 Iowa Acts, chapter 1175, section
15 28 86, subsection 2, paragraph "b", shall be deposited in
15 29 the account. The account shall include a separate
15 30 premiums subaccount. Revenue generated through
15 31 payment of premiums by expansion population members as
15 32 required pursuant to section 249J.8 shall be deposited
15 33 in the separate premiums subaccount within the
15 34 account.

15 35 2. Moneys in the account shall be separate from
15 36 the general fund of the state and shall not be
15 37 considered part of the general fund of the state. The
15 38 moneys deposited in the account are not subject to
15 39 section 8.33 and shall not be transferred, used,
15 40 obligated, appropriated, or otherwise encumbered,
15 41 except to provide for the purposes specified in this
15 42 section. Notwithstanding section 12C.7, subsection 2,
15 43 interest or earnings on moneys deposited in the
15 44 account shall be credited to the account.

15 45 3. Moneys deposited in the account for health care
15 46 transformation shall be used only as provided in
15 47 appropriations from the account for the costs
15 48 associated with certain services provided to the
15 49 expansion population pursuant to section 249J.6,
15 50 certain initiatives to be designed pursuant to section
16 1 249J.8, the case-mix adjusted reimbursement system for
16 2 persons with mental retardation or developmental
16 3 disabilities pursuant to section 249J.12, certain
16 4 health promotion partnership activities pursuant to
16 5 section 249J.14, the cost and quality performance
16 6 evaluation pursuant to section 249J.15, auditing
16 7 requirements pursuant to section 249J.21, the
16 8 provision of additional indigent patient care and
16 9 treatment, and administrative costs associated with
16 10 this chapter.

16 11 Sec. 23. NEW SECTION. 249J.23 IOWACARE ACCOUNT.

16 12 1. An Iowacare account is created in the state
16 13 treasury under the authority of the department of
16 14 human services. Moneys appropriated from the general
16 15 fund of the state to the account, moneys received as
16 16 federal financial participation funds under the
16 17 expansion population provisions of this chapter and
16 18 credited to the account, moneys received for
16 19 disproportionate share hospitals and credited to the
16 20 account, moneys received for graduate medical
16 21 education and credited to the account, proceeds
16 22 transferred from the county treasurer as specified in
16 23 subsection 6, and moneys from any other source
16 24 credited to the account shall be deposited in the
16 25 account. Moneys deposited in or credited to the
16 26 account shall be used only as provided in
16 27 appropriations or distributions from the account for
16 28 the purposes specified in the appropriation or
16 29 distribution. Moneys in the account shall be
16 30 appropriated to the university of Iowa hospitals and
16 31 clinics, to a publicly owned acute care teaching
16 32 hospital located in a county with a population over
16 33 three hundred fifty thousand, and to the state
16 34 hospitals for persons with mental illness designated
16 35 pursuant to section 226.1 for the purposes provided in
16 36 the federal law making the funds available or as
16 37 specified in the state appropriation and shall be
16 38 distributed as determined by the department.

16 39 2. The account shall be separate from the general
16 40 fund of the state and shall not be considered part of
16 41 the general fund of the state. The moneys in the
16 42 account shall not be considered revenue of the state,
16 43 but rather shall be funds of the account. The moneys
16 44 in the account are not subject to section 8.33 and
16 45 shall not be transferred, used, obligated,
16 46 appropriated, or otherwise encumbered, except to
16 47 provide for the purposes of this chapter.
16 48 Notwithstanding section 12C.7, subsection 2, interest
16 49 or earnings on moneys deposited in the account shall
16 50 be credited to the account.

17 1 3. The department shall adopt rules pursuant to
17 2 chapter 17A to administer the account.

17 3 4. The treasurer of state shall provide a

17 4 quarterly report of activities and balances of the
17 5 account to the director.
17 6 5. Notwithstanding section 262.28, payments to be
17 7 made to participating public hospitals under this
17 8 section may be made on a prospective basis in twelve
17 9 equal monthly installments. After the close of the
17 10 fiscal year, the department shall determine the amount
17 11 of the payments attributable to the state general
17 12 fund, federal financial participation funds collected
17 13 for expansion population services, graduate medical
17 14 education funds, and disproportionate share hospital
17 15 funds, based on claims data and actual expenditures.
17 16 6. Notwithstanding any provision to the contrary,
17 17 from each semiannual collection of taxes levied under
17 18 section 347.7 for which the collection is performed
17 19 after July 1, 2005, the county treasurer of a county
17 20 with a population over three hundred fifty thousand in
17 21 which a publicly owned acute care teaching hospital is
17 22 located shall transfer the proceeds collected pursuant
17 23 to section 347.7 in a total amount of thirty-four
17 24 million dollars annually, which would otherwise be
17 25 distributed to the county hospital, to the treasurer
17 26 of state for deposit in the Iowacare account under
17 27 this section. The board of trustees of the acute care
17 28 teaching hospital identified in this subsection and
17 29 the department shall execute an agreement under
17 30 chapter 28E by July 1, 2005, to specify the
17 31 requirements relative to transfer of the proceeds and
17 32 the distribution of moneys to the hospital from the
17 33 Iowacare account. The agreement may also include a
17 34 provision allowing such hospital to limit access to
17 35 such hospital by expansion population members based on
17 36 residency of the member, if such provision reflects
17 37 the policy of such hospital regarding indigent
17 38 patients existing on April 1, 2005, as adopted by its
17 39 board of hospital trustees pursuant to section 347.14,
17 40 subsection 4.

17 41 7. The state board of regents, on behalf of the
17 42 university of Iowa hospitals and clinics, and the
17 43 department shall execute an agreement under chapter
17 44 28E by July 1, 2005, to specify the requirements
17 45 relating to distribution of moneys to the hospital
17 46 from the Iowacare account.

17 47 8. The state and any county utilizing the acute
17 48 care teaching hospital located in a county with a
17 49 population over three hundred fifty thousand for
17 50 mental health services prior to July 1, 2005, shall
18 1 annually enter into an agreement with such hospital to
18 2 pay a per diem amount that is not less than the per
18 3 diem amount paid for those mental health services in
18 4 effect for the fiscal year beginning July 1, 2004, for
18 5 each individual including each expansion population
18 6 member accessing mental health services at that
18 7 hospital on or after July 1, 2005. Any payment made
18 8 under such agreement for an expansion population
18 9 member pursuant to this chapter, shall be considered
18 10 by the department to be payment by a third-party
18 11 payor.

18 12 DIVISION VIII
18 13 LIMITATIONS

18 14 Sec. 24. NEW SECTION. 249J.24 LIMITATIONS.

18 15 1. The provisions of this chapter shall not be
18 16 construed, are not intended as, and shall not imply a
18 17 grant of entitlement for services to individuals who
18 18 are eligible for assistance under this chapter or for
18 19 utilization of services that do not exist or are not
18 20 otherwise available on the effective date of this Act.
18 21 Any state obligation to provide services pursuant to
18 22 this chapter is limited to the extent of the funds
18 23 appropriated or distributed for the purposes of this
18 24 chapter.

18 25 2. The provisions of this chapter shall not be
18 26 construed and are not intended to affect the provision
18 27 of services to recipients of medical assistance
18 28 existing on the effective date of this Act.

18 29 Sec. 25. NEW SECTION. 249J.25 AUDIT == FUTURE
18 30 REPEAL.

18 31 1. The state auditor shall complete an audit of
18 32 the provisions implemented pursuant to this chapter
18 33 during the fiscal year beginning July 1, 2009, and
18 34 shall submit the results of the audit to the governor

18 35 and the general assembly by January 1, 2010.
18 36 2. This chapter is repealed June 30, 2010.
18 37 Sec. 26. IMPLEMENTATION COSTS. Payment of any
18 38 one-time costs specifically associated with the
18 39 implementation of chapter 249J, as enacted in this
18 40 Act, shall be made in the manner specified by, and at
18 41 the discretion of, the department.

18 42 DIVISION IX

18 43 CORRESPONDING PROVISIONS

18 44 Sec. 27. Section 97B.52A, subsection 1, paragraph
18 45 c, Code 2005, is amended to read as follows:
18 46 c. For a member whose first month of entitlement
18 47 is July 2000 or later, the member does not return to
18 48 any employment with a covered employer until the
18 49 member has qualified for at least one calendar month
18 50 of retirement benefits, and the member does not return
19 1 to covered employment until the member has qualified
19 2 for no fewer than four calendar months of retirement
19 3 benefits. For purposes of this paragraph, effective
19 4 July 1, 2000, any employment with a covered employer
19 5 does not include employment as an elective official or
19 6 member of the general assembly if the member is not
19 7 covered under this chapter for that employment. For
19 8 purposes of determining a bona fide retirement under
19 9 this paragraph and for a member whose first month of
19 10 entitlement is July 2004 or later, but before July
19 11 2006, covered employment does not include employment
19 12 as a licensed health care professional by a public
19 13 hospital as defined in section ~~249I.3~~ 249J.3, with the
19 14 exception of public hospitals governed pursuant to
19 15 chapter 226.

19 16 Sec. 28. Section 218.78, subsection 1, Code 2005,
19 17 is amended to read as follows:
19 18 1. All institutional receipts of the department of
19 19 human services, including funds received from client
19 20 participation at the state resource centers under
19 21 section 222.78 and at the state mental health
19 22 institutes under section 230.20, shall be deposited in
19 23 the general fund except for reimbursements for
19 24 services provided to another institution or state
19 25 agency, for receipts deposited in the revolving fund
19 26 fund under section 904.706, for deposits into the
19 27 medical assistance fund under section 249A.11, for any
19 28 deposits into the medical assistance fund of any
19 29 medical assistance payments received through the
19 30 expansion population program pursuant to chapter 249J,

19 31 and rentals charged to employees or others for room,
19 32 apartment, or house and meals, which shall be
19 33 available to the institutions.

19 34 Sec. 29. Section 230.20, subsection 2, paragraph
19 35 a, Code 2005, is amended to read as follows:

19 36 a. The superintendent shall certify to the
19 37 department the billings to each county for services
19 38 provided to patients chargeable to the county during
19 39 the preceding calendar quarter. The county billings
19 40 shall be based on the average daily patient charge and
19 41 other service charges computed pursuant to subsection
19 42 1, and the number of inpatient days and other service
19 43 units chargeable to the county. However, a county
19 44 billing shall be decreased by an amount equal to
19 45 reimbursement by a third party payor or estimation of
19 46 such reimbursement from a claim submitted by the
19 47 superintendent to the third party payor for the
19 48 preceding calendar quarter. When the actual third
19 49 party payor reimbursement is greater or less than
19 50 estimated, the difference shall be reflected in the
20 1 county billing in the calendar quarter the actual
20 2 third party payor reimbursement is determined. For
20 3 the purposes of this paragraph, "third-party payor
20 4 reimbursement" does not include reimbursement provided
20 5 under chapter 249J.

20 6 Sec. 30. Section 230.20, subsections 5 and 6, Code
20 7 2005, are amended to read as follows:

20 8 5. An individual statement shall be prepared for a
20 9 patient on or before the fifteenth day of the month
20 10 following the month in which the patient leaves the
20 11 mental health institute, and a general statement shall
20 12 be prepared at least quarterly for each county to
20 13 which charges are made under this section. Except as
20 14 otherwise required by sections 125.33 and 125.34 the
20 15 general statement shall list the name of each patient

20 16 chargeable to that county who was served by the mental
20 17 health institute during the preceding month or
20 18 calendar quarter, the amount due on account of each
20 19 patient, and the specific dates for which any third
20 20 party payor reimbursement received by the state is
20 21 applied to the statement and billing, and the county
20 22 shall be billed for eighty percent of the stated
20 23 charge for each patient specified in this subsection.
20 24 For the purposes of this subsection, "third-party
20 25 payor reimbursement" does not include reimbursement
20 26 provided under chapter 249J. The statement prepared
20 27 for each county shall be certified by the department
20 28 and a duplicate statement shall be mailed to the
20 29 auditor of that county.

20 30 6. All or any reasonable portion of the charges
20 31 incurred for services provided to a patient, to the
20 32 most recent date for which the charges have been
20 33 computed, may be paid at any time by the patient or by
20 34 any other person on the patient's behalf. Any payment
20 35 ~~so~~ made by the patient or other person, and any
20 36 federal financial assistance received pursuant to
20 37 Title XVIII or XIX of the federal Social Security Act
20 38 for services rendered to a patient, shall be credited
20 39 against the patient's account and, if the charges ~~so~~
20 40 paid as described in this subsection have previously
20 41 been billed to a county, reflected in the mental
20 42 health institute's next general statement to that
20 43 county. However, any payment made under chapter 249J
20 44 shall not be reflected in the mental health
20 45 institute's next general statement to that county.

20 46 Sec. 31. Section 249A.11, Code 2005, is amended to
20 47 read as follows:

20 48 249A.11 PAYMENT FOR PATIENT CARE SEGREGATED.
20 49 A state resource center or mental health institute,
20 50 upon receipt of any payment made under this chapter
21 1 for the care of any patient, shall segregate an amount
21 2 equal to that portion of the payment which is required
21 3 by law to be made from nonfederal funds except for any
21 4 nonfederal funds received through the expansion
21 5 population program pursuant to chapter 249J which
21 6 shall be deposited in the Iowacare account created
21 7 pursuant to section 249J.23. The money segregated
21 8 shall be deposited in the medical assistance fund of
21 9 the department of human services.

21 10 Sec. 32. Section 249H.4, Code 2005, is amended by
21 11 adding the following new subsection:

21 12 NEW SUBSECTION. 7. The director shall amend the
21 13 medical assistance state plan to eliminate the
21 14 mechanism to secure funds based on skilled nursing
21 15 facility prospective payment methodologies under the
21 16 medical assistance program and to terminate agreements
21 17 entered into with public nursing facilities under this
21 18 chapter, effective June 30, 2005.

21 19 Sec. 33. 2004 Iowa Acts, chapter 1175, section 86,
21 20 subsection 2, paragraph b, unnumbered paragraph 2, and
21 21 subparagraphs (1), (2), and (3), are amended to read
21 22 as follows:

21 23 ~~Of the amount appropriated in this lettered~~
21 24 ~~paragraph, \$25,950,166 shall be considered encumbered~~
21 25 ~~and shall not be expended for any purpose until~~
21 26 ~~January 1, 2005.~~

21 27 (1) ~~However, if~~ If the department of human
21 28 services adjusts hospital payments to provide an
21 29 increased base rate to offset the high cost incurred
21 30 for providing services to medical assistance patients
21 31 on or prior to January July 1, 2005, a portion of the
21 32 amount specified in this unnumbered paragraph equal to
21 33 the increased Medicaid payment shall ~~revert to the~~
21 34 ~~general fund of the state. Notwithstanding section~~
21 35 ~~8-54, subsection 7, the amount required to revert~~
21 36 ~~under this subparagraph shall not be considered to be~~
21 37 ~~appropriated for purposes of the state general fund~~
21 38 ~~expenditure limitation for the fiscal year beginning~~
21 39 ~~July 1, 2004.~~

21 40 (2) ~~If the adjustment described in subparagraph~~
21 41 ~~(1) to increase the base rate is not made prior to~~
21 42 ~~January 1, 2005, the amount specified in this~~
21 43 ~~unnumbered paragraph shall no longer be considered~~
21 44 ~~encumbered, may be expended, and shall be available~~
21 45 ~~for the purposes originally specified be transferred~~
21 46 ~~by the university of Iowa hospitals and clinics to the~~

21 47 medical assistance fund of the department of human
21 48 services. Of the amount transferred, an amount equal
21 49 to the federal share of the payments shall be
21 50 transferred to the account for health care
22 1 transformation created in section 249J.22.

22 2 ~~(3)~~ (2) Any incremental increase in the base rate
22 3 made pursuant to subparagraph (1) shall not be used in
22 4 determining the university of Iowa hospital and
22 5 clinics disproportionate share rate or when
22 6 determining the statewide average base rate for
22 7 purposes of calculating indirect medical education
22 8 rates.

22 9 Sec. 34. 2003 Iowa Acts, chapter 112, section 11,
22 10 subsection 1, is amended to read as follows:

22 11 1. For the fiscal ~~year years~~ beginning July 1,
22 12 2003, ~~and ending June 30, 2004, and beginning July 1,~~
22 13 ~~2004, and for each fiscal year thereafter ending June~~
22 14 ~~30, 2005~~, the department of human services shall
22 15 institute a supplemental payment adjustment applicable
22 16 to physician services provided to medical assistance
22 17 recipients at publicly owned acute care teaching
22 18 hospitals. The adjustment shall generate supplemental
22 19 payments to physicians which are equal to the
22 20 difference between the physician's charge and the
22 21 physician's fee schedule under the medical assistance
22 22 program. To the extent of the supplemental payments,
22 23 a qualifying hospital shall, after receipt of the
22 24 payments, transfer to the department of human services
22 25 an amount equal to the actual supplemental payments
22 26 that were made in that month. The department of human
22 27 services shall deposit these payments in the
22 28 department's medical assistance account. The
22 29 department of human services shall amend the medical
22 30 assistance state plan as necessary to implement this
22 31 section. The department may adopt emergency rules to
22 32 implement this section. The department of human
22 33 services shall amend the medical assistance state plan
22 34 to eliminate this provision effective June 30, 2005.

22 35 Sec. 35. CORRESPONDING DIRECTIVES TO DEPARTMENT.

22 36 The department shall do all of the following:

22 37 1. Withdraw the request for the waiver and the
22 38 medical assistance state plan amendment submitted to
22 39 the centers for Medicare and Medicaid services of the
22 40 United States department of health and human services
22 41 regarding the nursing facility quality assurance
22 42 assessment as directed pursuant to 2003 Iowa Acts,
22 43 chapter 112, section 4, 2003 Iowa Acts, chapter 179,
22 44 section 162, and 2004 Iowa Acts, chapter 1085,
22 45 sections 8, 10, and 11.

22 46 2. Amend the medical assistance state plan to
22 47 eliminate the mechanism to secure funds based on
22 48 hospital inpatient and outpatient prospective payment
22 49 methodologies under the medical assistance program,
22 50 effective June 30, 2005.

23 1 3. Amend the medical assistance state plan to
23 2 eliminate the mechanisms to receive supplemental
23 3 disproportionate share hospital and graduate medical
23 4 education funds as originally submitted, effective
23 5 June 30, 2005.

23 6 4. Amend the medical assistance state plan
23 7 amendment to adjust hospital payments to provide an
23 8 increased base rate to offset the high cost incurred
23 9 for providing services to medical assistance patients
23 10 at the university of Iowa hospitals and clinics as
23 11 originally submitted based upon the specifications of
23 12 2004 Iowa Acts, chapter 1175, section 86, subsection
23 13 2, paragraph "b", unnumbered paragraph 2, and
23 14 subparagraphs (1),(2), and (3), to be approved for the
23 15 fiscal year beginning July 1 2004, and ending June 30,
23 16 2005, only, and to be eliminated June 30, 2005.

23 17 5. Amend the medical assistance state plan
23 18 amendment to establish a physician payment adjustment
23 19 from the university of Iowa hospitals and clinics, as
23 20 originally submitted as described in 2003 Iowa Acts,
23 21 chapter 112, section 11, subsection 1, to be approved
23 22 for the state fiscal years beginning July 1, 2003, and
23 23 ending June 30, 2004, and beginning July 1, 2004, and
23 24 ending June 30, 2005, and to be eliminated effective
23 25 June 30, 2005.

23 26 6. Amend the medical assistance state plan to
23 27 eliminate the mechanism to secure funds based on

23 28 skilled nursing facility prospective payment
23 29 methodologies under the medical assistance program,
23 30 effective June 30, 2005.
23 31 7. Request a waiver from the centers for Medicare
23 32 and Medicaid services of the United States department
23 33 of health and human services of the provisions
23 34 relating to the early and periodic screening,
23 35 diagnostic, and treatment program requirements as
23 36 described in section 1905(a)(5) of the federal Social
23 37 Security Act relative to the expansion population.
23 38 Sec. 36. Chapter 249I, Code 2005, is repealed.
23 39 Sec. 37. Sections 249A.20B and 249A.34, Code 2005,
23 40 are repealed.
23 41 Sec. 38. 2003 Iowa Acts, chapter 112, section 4,
23 42 2003 Iowa Acts, chapter 179, section 162, and 2004
23 43 Iowa Acts, chapter 1085, section 8, and section 10,
23 44 subsection 5, are repealed.

23 45 DIVISION X

23 46 PHARMACY COPAYMENTS

23 47 Sec. 39. COPAYMENTS FOR PRESCRIPTION DRUGS UNDER
23 48 THE MEDICAL ASSISTANCE PROGRAM. The department of
23 49 human services shall require recipients of medical
23 50 assistance to pay the following copayments on each
24 1 prescription filled for a covered prescription drug,
24 2 including each refill of such prescription, as
24 3 follows:
24 4 1. A copayment of \$1 for each covered generic
24 5 prescription drug not included on the prescription
24 6 drug list.
24 7 2. A copayment of \$1 for each covered brand-name
24 8 or generic prescription drug included on the
24 9 prescription drug list.
24 10 3. A copayment of \$1 for each covered brand-name
24 11 prescription drug not included on the prescription
24 12 drug list for which the cost to the state is up to and
24 13 including \$25.
24 14 4. A copayment of \$2 for each covered brand-name
24 15 prescription drug not included on the prescription
24 16 drug list for which the cost to the state is more than
24 17 \$25 and up to and including \$50.
24 18 5. A copayment of \$3 for each covered brand-name
24 19 prescription drug not included on the preferred drug
24 20 list for which the cost to the state is more than \$50.

24 21 DIVISION XI

24 22 MEDICAL AND SURGICAL TREATMENT OF INDIGENT PERSONS 24 23 AND OBSTETRICAL AND NEWBORN INDIGENT PATIENT CARE

24 24 Sec. 40. NEW SECTION. 135.152 STATEWIDE
24 25 OBSTETRICAL AND NEWBORN INDIGENT PATIENT CARE PROGRAM.
24 26 1. The department shall establish a statewide
24 27 obstetrical and newborn indigent patient care program
24 28 to provide obstetrical and newborn care to medically
24 29 indigent residents of this state at the appropriate
24 30 and necessary level, at a licensed hospital or health
24 31 care facility closest and most available to the
24 32 residence of the indigent individual.
24 33 2. The department shall administer the program,
24 34 and appropriations by the general assembly for the
24 35 program shall be allocated to the obstetrical and
24 36 newborn patient care fund within the department to be
24 37 utilized for the obstetrical and newborn indigent
24 38 patient care program.
24 39 3. The department shall adopt administrative rules
24 40 pursuant to chapter 17A to administer the program.
24 41 4. The department shall establish a patient quota
24 42 formula for determining the maximum number of
24 43 obstetrical and newborn patients eligible for the
24 44 program, annually, from each county. The formula used
24 45 shall be based upon the annual appropriation for the
24 46 program, the average number of live births in each
24 47 county for the most recent three-year period, and the
24 48 per capita income for each county for the most recent
24 49 year. The formula shall also provide for reassignment
24 50 of an unused county quota allotment on April 1 of each
25 1 year.
25 2 5. a. The department, in collaboration with the
25 3 department of human services and the Iowa state
25 4 association of counties, shall adopt rules pursuant to
25 5 chapter 17A to establish minimum standards for
25 6 eligibility for obstetrical and newborn care,
25 7 including physician examinations, medical testing,
25 8 ambulance services, and inpatient transportation

25 9 services under the program. The minimum standards
25 10 shall provide that the individual is not otherwise
25 11 eligible for assistance under the medical assistance
25 12 program or for assistance under the medically needy
25 13 program without a spend-down requirement pursuant to
25 14 chapter 249A, or for expansion population benefits
25 15 pursuant to chapter 249J. If the individual is
25 16 eligible for assistance pursuant to chapter 249A or
25 17 249J, or if the individual is eligible for maternal
25 18 and child health care services covered by a maternal
25 19 and child health program, the obstetrical and newborn
25 20 indigent patient care program shall not provide the
25 21 assistance, care, or covered services provided under
25 22 the other program.

25 23 b. The minimum standards for eligibility shall
25 24 provide eligibility for persons with family incomes at
25 25 or below one hundred eighty-five percent of the
25 26 federal poverty level as defined by the most recently
25 27 revised poverty income guidelines published by the
25 28 United States department of health and human services,
25 29 and shall provide, but shall not be limited to
25 30 providing, eligibility for uninsured and underinsured
25 31 persons financially unable to pay for necessary
25 32 obstetrical and newborn care. The minimum standards
25 33 may include a spend-down provision. The resource
25 34 standards shall be set at or above the resource
25 35 standards under the federal supplemental security
25 36 income program. The resource exclusions allowed under
25 37 the federal supplemental security income program shall
25 38 be allowed and shall include resources necessary for
25 39 self-employment.

25 40 c. The department in cooperation with the
25 41 department of human services, shall develop a
25 42 standardized application form for the program and
25 43 shall coordinate the determination of eligibility for
25 44 the medical assistance and medically needy programs
25 45 under chapter 249A, the medical assistance expansion
25 46 under chapter 249J, and the obstetrical and newborn
25 47 indigent patient care program.

25 48 6. The department shall establish application
25 49 procedures and procedures for certification of an
25 50 individual for obstetrical and newborn care under this
26 1 section.

26 2 7. An individual certified for obstetrical and
26 3 newborn care under this division may choose to receive
26 4 the appropriate level of care at any licensed hospital
26 5 or health care facility.

26 6 8. The obstetrical and newborn care costs of an
26 7 individual certified for such care under this division
26 8 at a licensed hospital or health care facility or from
26 9 licensed physicians shall be paid by the department
26 10 from the obstetrical and newborn patient care fund.

26 11 9. All providers of services to obstetrical and
26 12 newborn patients under this division shall agree to
26 13 accept as full payment the reimbursements allowable
26 14 under the medical assistance program established
26 15 pursuant to chapter 249A, adjusted for intensity of
26 16 care.

26 17 10. The department shall establish procedures for
26 18 payment for providers of services to obstetrical and
26 19 newborn patients under this division from the
26 20 obstetrical and newborn patient care fund. All
26 21 billings from such providers shall be submitted
26 22 directly to the department. However, payment shall
26 23 not be made unless the requirements for application
26 24 and certification for care pursuant to this division
26 25 and rules adopted by the department are met.

26 26 11. Moneys encumbered prior to June 30 of a fiscal
26 27 year for a certified eligible pregnant woman scheduled
26 28 to deliver in the next fiscal year shall not revert
26 29 from the obstetrical and newborn patient care fund to
26 30 the general fund of the state. Moneys allocated to
26 31 the obstetrical and newborn patient care fund shall
26 32 not be transferred nor voluntarily reverted from the
26 33 fund within a given fiscal year.

26 34 Sec. 41. Section 135B.31, Code 2005, is amended to
26 35 read as follows:

26 36 135B.31 EXCEPTIONS.

26 37 ~~Nothing in this~~ This division is not intended ~~or~~
26 38 ~~should and shall not~~ affect in any way ~~that the~~
26 39 obligation of public hospitals under chapter 347 or

26 40 municipal hospitals, as well as the state hospital at
26 41 Iowa City, to provide medical or obstetrical and
26 42 newborn care for indigent persons under chapter 255 or
26 43 255A, wherein medical care or treatment is provided by
26 44 hospitals of that category to patients of certain
26 45 entitlement, nor to the operation by the state of
26 46 mental or other hospitals authorized by law. ~~Nothing~~
26 47 ~~herein~~ This division shall not in any way affect or
26 48 limit the practice of dentistry or the practice of
26 49 oral surgery by a dentist.

26 50 Sec. 42. Section 144.13A, subsection 3, Code 2005,
27 1 is amended to read as follows:

27 2 3. If the person responsible for the filing of the
27 3 certificate of birth under section 144.13 is not the
27 4 parent, the person is entitled to collect the fee from
27 5 the parent. The fee shall be remitted to the state
27 6 registrar. If the expenses of the birth are
27 7 reimbursed under the medical assistance program
27 8 established by chapter 249A, or paid for under the
27 9 ~~statewide indigent patient care program established by~~
27 10 ~~chapter 255, or paid for under the obstetrical and~~
27 11 ~~newborn indigent patient care program established by~~
27 12 ~~chapter 255A,~~ or if the parent is indigent and unable
27 13 to pay the expenses of the birth and no other means of
27 14 payment is available to the parent, the registration
27 15 fee and certified copy fee are waived. If the person
27 16 responsible for the filing of the certificate is not
27 17 the parent, the person is discharged from the duty to
27 18 collect and remit the fee under this section if the
27 19 person has made a good faith effort to collect the fee
27 20 from the parent.

27 21 Sec. 43. Section 249A.4, subsection 12, Code 2005,
27 22 is amended by striking the subsection.

27 23 UNIVERSITY OF IOWA HOSPITALS AND CLINICS

27 24 Sec. 44. NEW SECTION. 263.18 TREATMENT OF
27 25 PATIENTS == USE OF EARNINGS FOR NEW FACILITIES.

27 26 1. The university of Iowa hospitals and clinics
27 27 authorities may at their discretion receive patients
27 28 into the hospital for medical, obstetrical, or
27 29 surgical treatment or hospital care. The university
27 30 of Iowa hospitals and clinics ambulances and ambulance
27 31 personnel may be used for the transportation of such
27 32 patients at a reasonable charge if specialized
27 33 equipment is required.

27 34 2. The university of Iowa hospitals and clinics
27 35 authorities shall collect from the person or persons
27 36 liable for support of such patients reasonable charges
27 37 for hospital care and service and deposit payment of
27 38 the charges with the treasurer of the university for
27 39 the use and benefit of the university of Iowa
27 40 hospitals and clinics.

27 41 3. Earnings of the university of Iowa hospitals
27 42 and clinics shall be administered so as to increase,
27 43 to the greatest extent possible, the services
27 44 available for patients, including acquisition,
27 45 construction, reconstruction, completion, equipment,
27 46 improvement, repair, and remodeling of medical
27 47 buildings and facilities, additions to medical
27 48 buildings and facilities, and the payment of principal
27 49 and interest on bonds issued to finance the cost of
27 50 medical buildings and facilities as authorized by the
28 1 provisions of chapter 263A.

28 2 4. The physicians and surgeons on the staff of the
28 3 university of Iowa hospitals and clinics who care for
28 4 patients provided for in this section may charge for
28 5 the medical services provided under such rules,
28 6 regulations, and plans approved by the state board of
28 7 regents. However, a physician or surgeon who provides
28 8 treatment or care for an expansion population member
28 9 pursuant to chapter 249J shall not charge or receive
28 10 any compensation for the treatment or care except the
28 11 salary or compensation fixed by the state board of
28 12 regents to be paid from the hospital fund.

28 13 Sec. 45. NEW SECTION. 263.19 PURCHASES.

28 14 Any purchase in excess of ten thousand dollars, of
28 15 materials, appliances, instruments, or supplies by the
28 16 university of Iowa hospitals and clinics, when the
28 17 price of the materials, appliances, instruments, or
28 18 supplies to be purchased is subject to competition,
28 19 shall be made pursuant to open competitive quotations,
28 20 and all contracts for such purchases shall be subject

28 21 to chapter 72. However, purchases may be made through
28 22 a hospital group purchasing organization provided that
28 23 the university of Iowa hospitals and clinics is a
28 24 member of the organization and the group purchasing
28 25 organization selects the items to be offered to
28 26 members through a competitive bidding process.

28 27 Sec. 46. NEW SECTION. 263.20 COLLECTING AND
28 28 SETTLING CLAIMS FOR CARE.

28 29 Whenever a patient or person legally liable for the
28 30 patient's care at the university of Iowa hospitals and
28 31 clinics has insurance, an estate, a right of action
28 32 against others, or other assets, the university of
28 33 Iowa hospitals and clinics, through the facilities of
28 34 the office of the attorney general, may file claims,
28 35 institute or defend suit in court, and use other legal
28 36 means available to collect accounts incurred for the
28 37 care of the patient, and may compromise, settle, or
28 38 release such actions under the rules and procedures
28 39 prescribed by the president of the university and the
28 40 office of the attorney general. If a county has paid
28 41 any part of such patient's care, a pro rata amount
28 42 collected, after deduction for cost of collection,
28 43 shall be remitted to the county and the balance shall
28 44 be credited to the hospital fund.

28 45 Sec. 47. NEW SECTION. 263.21 TRANSFER OF
28 46 PATIENTS FROM STATE INSTITUTIONS.

28 47 The director of the department of human services,
28 48 in respect to institutions under the director's
28 49 control, the administrator of any of the divisions of
28 50 the department, in respect to the institutions under
29 1 the administrator's control, the director of the
29 2 department of corrections, in respect to the
29 3 institutions under the department's control, and the
29 4 state board of regents, in respect to the Iowa braille
29 5 and sight saving school and the Iowa school for the
29 6 deaf, may send any inmate, student, or patient of an
29 7 institution, or any person committed or applying for
29 8 admission to an institution, to the university of Iowa
29 9 hospitals and clinics for treatment and care. The
29 10 department of human services, the department of
29 11 corrections, and the state board of regents shall
29 12 respectively pay the traveling expenses of such
29 13 patient, and when necessary the traveling expenses of
29 14 an attendant for the patient, out of funds
29 15 appropriated for the use of the institution from which
29 16 the patient is sent.

29 17 Sec. 48. NEW SECTION. 263.22 MEDICAL CARE FOR
29 18 PAROLEES AND PERSONS ON WORK RELEASE.

29 19 The director of the department of corrections may
29 20 send former inmates of the institutions provided for
29 21 in section 904.102, while on parole or work release,
29 22 to the university of Iowa hospitals and clinics for
29 23 treatment and care. The director may pay the
29 24 traveling expenses of any such patient, and when
29 25 necessary the traveling expenses of an attendant of
29 26 the patient, out of funds appropriated for the use of
29 27 the department of corrections.

29 28 Sec. 49. Section 271.6, Code 2005, is amended to
29 29 read as follows:

29 30 271.6 INTEGRATED TREATMENT OF UNIVERSITY HOSPITAL
29 31 PATIENTS.

29 32 The authorities of the Oakdale campus may authorize
29 33 patients for admission to the hospital on the Oakdale
29 34 campus who are referred from the university hospitals
29 35 and who shall retain the same status, classification,
29 36 and authorization for care which they had at the
29 37 university hospitals. Patients referred from the
29 38 university hospitals to the Oakdale campus shall be
29 39 deemed to be patients of the university hospitals.
29 40 ~~Chapters 255 and 255A and the~~ The operating policies
29 41 of the university hospitals shall apply to the
29 42 patients ~~and to the payment for their care~~ the same as
29 43 the provisions apply to patients who are treated on
29 44 the premises of the university hospitals.

29 45 Sec. 50. Section 331.381, subsection 9, Code 2005,
29 46 is amended by striking the subsection.

29 47 Sec. 51. Section 331.502, subsection 17, Code
29 48 2005, is amended by striking the subsection.

29 49 Sec. 52. Section 331.552, subsection 13, Code
29 50 2005, is amended to read as follows:

30 1 13. Make transfer payments to the state for school

30 2 expenses for blind and deaf children, and support of
30 3 persons with mental illness, and hospital care for the
30 4 indigent as provided in sections 230.21, 255.26,
30 5 269.2, and 270.7.

30 6 Sec. 53. Section 331.653, subsection 26, Code
30 7 2005, is amended by striking the subsection.

30 8 Sec. 54. Section 331.756, subsection 53, Code
30 9 2005, is amended by striking the subsection.

30 10 Sec. 55. Section 602.8102, subsection 48, Code
30 11 2005, is amended by striking the subsection.

30 12 Sec. 56. Chapters 255 and 255A, Code 2005, are
30 13 repealed.

30 14 Sec. 57. OBLIGATIONS TO INDIGENT PATIENTS. The
30 15 provisions of this Act shall not be construed and are
30 16 not intended to change, reduce, or affect the
30 17 obligation of the university of Iowa hospitals and
30 18 clinics existing on April 1, 2005, to provide care or
30 19 treatment at the university of Iowa hospitals and
30 20 clinics to indigent patients and to any inmate,
30 21 student, patient, or former inmate of a state
30 22 institution as specified in sections 263.21 and 263.22
30 23 as enacted in this Act, with the exception of the
30 24 specific obligation to committed indigent patients as
30 25 specified pursuant to section 255.16, Code 2005,
30 26 repealed in this Act.

30 27 Sec. 58. INMATES, STUDENTS, PATIENTS, AND FORMER
30 28 INMATES OF STATE INSTITUTIONS == REVIEW.

30 29 1. The director of human services shall convene a
30 30 workgroup comprised of the director, the director of
30 31 the department of corrections, the president of the
30 32 state board of regents, and a representative of the
30 33 university of Iowa hospitals and clinics to review the
30 34 provision of treatment and care to the inmates,
30 35 students, patients, and former inmates specified in
30 36 sections 263.21 and 263.22, as enacted in this Act.
30 37 The review shall determine all of the following:

30 38 a. The actual cost to the university of Iowa
30 39 hospitals and clinics to provide care and treatment to
30 40 the inmates, students, patients, and former inmates on
30 41 an annual basis. The actual cost shall be determined
30 42 utilizing Medicare cost accounting principles.

30 43 b. The number of inmates, students, patients, and
30 44 former inmates provided treatment at the university of
30 45 Iowa hospitals and clinics, annually.

30 46 c. The specific types of treatment and care
30 47 provided to the inmates, students, patients, and
30 48 former inmates.

30 49 d. The existing sources of revenue that may be
30 50 available to pay for the costs of providing care and
31 1 treatment to the inmates, students, patients, and
31 2 former inmates.

31 3 e. The cost to the department of human services,
31 4 the Iowa department of corrections, and the state
31 5 board of regents to provide transportation and
31 6 staffing relative to provision of care and treatment
31 7 to the inmates, students, patients, and former inmates
31 8 at the university of Iowa hospitals and clinics.

31 9 f. The effect of any proposed alternatives for
31 10 provision of care and treatment for inmates, students,
31 11 patients, or former inmates, including the proposed
31 12 completion of the hospital unit at the Iowa state
31 13 penitentiary at Fort Madison.

31 14 2. The workgroup shall submit a report of its
31 15 findings to the governor and the general assembly no
31 16 later than December 31, 2005. The report shall also
31 17 include any recommendations for improvement in the
31 18 provision of care and treatment to inmates, students,
31 19 patients, and former inmates, under the control of the
31 20 department of human services, the Iowa department of
31 21 corrections, and the state board of regents.

31 22 DIVISION XII

31 23 STATE MEDICAL INSTITUTION

31 24 Sec. 59. NEW SECTION. 218A.1 STATE MEDICAL
31 25 INSTITUTION.

31 26 1. All of the following shall be collectively
31 27 designated as a single state medical institution:

31 28 a. The mental health institute, Mount Pleasant,
31 29 Iowa.

31 30 b. The mental health institute, Independence,
31 31 Iowa.

31 32 c. The mental health institute, Clarinda, Iowa.

31 33 d. The mental health institute, Cherokee, Iowa.
31 34 e. The Glenwood state resource center.
31 35 f. The Woodward state resource center.
31 36 2. Necessary portions of the institutes and
31 37 resource centers shall remain licensed as separate
31 38 hospitals and as separate intermediate care facilities
31 39 for persons with mental retardation, and the locations
31 40 and operations of the institutes and resource centers
31 41 shall not be subject to consolidation to comply with
31 42 this chapter.
31 43 3. The state medical institution shall qualify for
31 44 payments described in subsection 4 for the fiscal
31 45 period beginning July 1, 2005, and ending June 30,
31 46 2010, if the state medical institution and the various
31 47 parts of the institution comply with the requirements
31 48 for payment specified in subsection 4, and all of the
31 49 following conditions are met:
31 50 a. The total number of beds in the state medical
32 1 institution licensed as hospital beds is less than
32 2 fifty percent of the total number of all state medical
32 3 institution beds. In determining compliance with this
32 4 requirement, however, any reduction in the total
32 5 number of beds that occurs as the result of reduction
32 6 in census due to an increase in utilization of home
32 7 and community-based services shall not be considered.
32 8 b. An individual is appointed by the director of
32 9 human services to serve as the director of the state
32 10 medical institution and an individual is appointed by
32 11 the director of human services to serve as medical
32 12 director of the state medical institution. The
32 13 individual appointed to serve as the director of the
32 14 state medical institution may also be an employee of
32 15 the department of human services or of a component
32 16 part of the state medical institution. The individual
32 17 appointed to serve as medical director of the state
32 18 medical institution may also serve as the medical
32 19 director of one of the component parts of the state
32 20 medical institution.
32 21 c. A workgroup comprised of the director of human
32 22 services or the director's designee, the director of
32 23 the state medical institution, the directors of all
32 24 licensed intermediate care facilities for persons with
32 25 mental retardation in the state, and representatives
32 26 of the Iowa state association of counties, the Iowa
32 27 association of community providers, and other
32 28 interested parties develops and presents a plan, for
32 29 submission to the centers for Medicare and Medicaid
32 30 services of the United States department of health and
32 31 human services, to the general assembly no later than
32 32 July 1, 2007, to reduce the number of individuals in
32 33 intermediate care facilities for persons with mental
32 34 retardation in the state and concurrently to increase
32 35 the number of individuals with mental retardation and
32 36 developmental disabilities in the state who have
32 37 access to home and community-based services. The plan
32 38 shall include a proposal to redesign the home and
32 39 community-based services waivers for persons with
32 40 mental retardation and persons with brain injury under
32 41 the medical assistance program. The department shall
32 42 not implement the plan without express authorization
32 43 by the general assembly.
32 44 4. The department of human services shall submit a
32 45 waiver to the centers for Medicare and Medicaid
32 46 services of the United States department of health and
32 47 human services to provide for all of the following:
32 48 a. Coverage under the medical assistance program,
32 49 with appropriate federal matching funding, for
32 50 inpatient and outpatient hospital services provided to
33 1 eligible individuals by any part of the state medical
33 2 institution that maintains a state license as a
33 3 hospital.
33 4 b. Disproportionate share hospital payments for
33 5 services provided by any part of the state medical
33 6 institution that maintains a state license as a
33 7 hospital.
33 8 c. Imposition of an assessment on intermediate
33 9 care facilities for persons with mental retardation on
33 10 any part of the state medical institution that
33 11 provides intermediate care facility for persons with
33 12 mental retardation services.
33 13

33 14 APPROPRIATIONS AND EFFECTIVE DATES
 33 15 Sec. 60. APPROPRIATIONS FROM IOWACARE ACCOUNT.
 33 16 1. There is appropriated from the Iowacare account
 33 17 created in section 249J.23 to the university of Iowa
 33 18 hospitals and clinics for the fiscal year beginning
 33 19 July 1, 2005, and ending June 30, 2006, the following
 33 20 amount, or so much thereof as is necessary, to be used
 33 21 for the purposes designated:
 33 22 For salaries, support, maintenance, equipment, and
 33 23 miscellaneous purposes, for the provision of medical
 33 24 and surgical treatment of indigent patients, for
 33 25 provision of services to recipients under the medical
 33 26 assistance program expansion population pursuant to
 33 27 chapter 249J, as enacted in this Act, and for medical
 33 28 education:
 33 29 \$ 27,284,584
 33 30 2. There is appropriated from the Iowacare account
 33 31 created in section 249J.23 to a publicly owned acute
 33 32 care teaching hospital located in a county with a
 33 33 population over three hundred fifty thousand for the
 33 34 fiscal year beginning July 1, 2005, and ending June
 33 35 30, 2006, the following amount, or so much thereof as
 33 36 is necessary, to be used for the purposes designated:
 33 37 For the provision of medical and surgical treatment
 33 38 of indigent patients, for provision of services to
 33 39 recipients under the medical assistance program
 33 40 expansion population pursuant to chapter 249J, as
 33 41 enacted in this Act, and for medical education:
 33 42 \$ 40,000,000
 33 43 Of the amount appropriated in this subsection,
 33 44 \$36,000,000 shall be allocated in twelve equal monthly
 33 45 payments as provided in section 249J.23, as enacted in
 33 46 this Act. Any amount appropriated in this subsection
 33 47 in excess of \$36,000,000 shall be allocated only if
 33 48 federal funds are available to match the amount
 33 49 allocated.
 33 50 3. There is appropriated from the Iowacare account
 34 1 created in section 249J.23 to the state hospitals for
 34 2 persons with mental illness designated pursuant to
 34 3 section 226.1 for the fiscal year beginning July 1,
 34 4 2005, and ending June 30, 2006, the following amounts,
 34 5 or so much thereof as is necessary, to be used for the
 34 6 purposes designated:
 34 7 a. For services at the state mental health
 34 8 institute at Cherokee, including services to
 34 9 recipients under the medical assistance program
 34 10 expansion population pursuant to chapter 249J, as
 34 11 enacted in this Act:
 34 12 \$ 9,098,425
 34 13 b. For services at the state mental health
 34 14 institute at Clarinda, including services to
 34 15 recipients under the medical assistance program
 34 16 expansion population pursuant to chapter 249J, as
 34 17 enacted in this Act:
 34 18 \$ 1,977,305
 34 19 c. For services at the state mental health
 34 20 institute at Independence, including services to
 34 21 recipients under the medical assistance program
 34 22 expansion population pursuant to chapter 249J, as
 34 23 enacted in this Act:
 34 24 \$ 9,045,894
 34 25 d. For services at the state mental health
 34 26 institute at Mount Pleasant, including services to
 34 27 recipients under the medical assistance program
 34 28 expansion population designation pursuant to chapter
 34 29 249J, as enacted in this Act:
 34 30 \$ 5,752,587
 34 31 Sec. 61. APPROPRIATIONS FROM ACCOUNT FOR HEALTH
 34 32 CARE TRANSFORMATION. There is appropriated from the
 34 33 account for health care transformation created in section
 34 34 249J.22, as enacted in this Act, to the department of
 34 35 human services, for the fiscal year beginning July 1,
 34 36 2005, and ending June 30, 2006, the following amounts,
 34 37 or so much thereof as is necessary, to be used for the
 34 38 purposes designated:
 34 39 1. For the costs of medical examinations and
 34 40 development of personal health improvement plans for
 34 41 the expansion population pursuant to section 249J.6,
 34 42 as enacted in this Act:
 34 43 \$ 136,500
 34 44 2. For the provision of a medical information

34 45 hotline for the expansion population as provided in
34 46 section 249J.6, as enacted in this Act:
34 47 \$ 150,000
34 48 3. For the insurance cost subsidy program pursuant
34 49 to section 249J.8, as enacted in this Act:
34 50 \$ 150,000
35 1 4. For the health care account program option
35 2 pursuant to section 249J.8, as enacted in this Act:
35 3 \$ 50,000
35 4 5. For the use of electronic medical records by
35 5 medical assistance program and expansion population
35 6 provider network providers pursuant to section
35 7 249J.14, as enacted in this Act:
35 8 \$ 100,000
35 9 6. For other health partnership activities
35 10 pursuant to section 249J.14, as enacted in this Act:
35 11 \$ 550,000
35 12 7. For the costs related to audits, performance
35 13 evaluations, and studies required by this Act:
35 14 \$ 100,000
35 15 8. For administrative costs associated with this
35 16 Act:
35 17 \$ 910,000
35 18 Sec. 62. TRANSFER FROM ACCOUNT FOR HEALTH CARE
35 19 TRANSFORMATION. There is transferred from the account
35 20 for health care transformation created pursuant to
35 21 section 249J.22, as enacted in this Act, to the
35 22 Iowacare account created in section 249J.23, as
35 23 enacted in this Act, a total of \$2,000,000 for the
35 24 fiscal year beginning July 1, 2005, and ending June
35 25 30, 2006.
35 26 Sec. 63. EFFECTIVE DATES == CONTINGENT REDUCTION
35 27 == RULES == RETROACTIVE APPLICABILITY.
35 28 1. The provisions of this Act requiring the
35 29 department of human services to request waivers from
35 30 the centers for Medicare and Medicaid services of the
35 31 United States department of health and human services
35 32 and to amend the medical assistance state plan, being
35 33 deemed of immediate importance, take effect upon
35 34 enactment.
35 35 2. The remaining provisions of this Act, with the
35 36 exception of the provisions described in subsection 1,
35 37 shall not take effect unless the department of human
35 38 services receives approval of all waivers and medical
35 39 assistance state plan amendments required under this
35 40 Act. If all approvals are received, the remaining
35 41 provisions of this Act shall take effect July 1, 2005,
35 42 or on the date specified in the waiver or medical
35 43 assistance state plan amendment for a particular
35 44 provision. The department of human services shall
35 45 notify the Code editor of the date of receipt of the
35 46 approvals.
35 47 3. If this Act is enacted and if the Eighty-first
35 48 General Assembly enacts legislation appropriating
35 49 moneys from the general fund of the state to the
35 50 department of human services for the fiscal year
36 1 beginning July 1, 2005, and ending June 30, 2006, for
36 2 the state hospitals for persons with mental illness
36 3 designated pursuant to section 226.1, for salaries,
36 4 support, maintenance, and miscellaneous purposes and
36 5 for full-time equivalent positions, and if this Act is
36 6 enacted, the appropriations shall be reduced in the
36 7 following amounts and the amounts shall be transferred
36 8 to the medical assistance fund of the department of
36 9 human services to diminish the effect of
36 10 intergovernmental transfer reductions:
36 11 a. For the state mental health institute at
36 12 Cherokee:
36 13 \$ 9,098,425
36 14 b. For the state mental health institute at
36 15 Clarinda:
36 16 \$ 1,977,305
36 17 c. For the state mental health institute at
36 18 Independence:
36 19 \$ 9,045,894
36 20 d. For the state mental health institute at Mount
36 21 Pleasant:
36 22 \$ 5,752,587
36 23 4. If this Act is enacted and if the Eighty-first
36 24 General Assembly enacts legislation appropriating
36 25 moneys from the general fund of the state to the state

36 26 university of Iowa for the fiscal year beginning July
36 27 1, 2005, and ending June 30, 2006, for the university
36 28 hospitals for salaries, support, maintenance,
36 29 equipment, and miscellaneous purposes and for medical
36 30 and surgical treatment of indigent patients as
36 31 provided in chapter 255, for medical education, and
36 32 for full-time equivalent positions, and if this Act is
36 33 enacted, the appropriation is reduced by \$27,284,584
36 34 and the amount shall be transferred to the medical
36 35 assistance fund of the department of human services to
36 36 diminish the effect of intergovernmental transfer
36 37 reductions.

36 38 5. If this Act is enacted, and if the Eighty-first
36 39 General Assembly enacts 2005 Iowa Acts, House File
36 40 816, and 2005 Iowa Acts, House File 816 includes a
36 41 provision relating to medical assistance supplemental
36 42 amounts for disproportionate share hospital and
36 43 indirect medical education, the provision in House
36 44 File 816 shall not take effect.

36 45 6. If this Act is enacted, and if the Eighty-
36 46 first General Assembly enacts 2005 Iowa Acts, House
36 47 File 825, and 2005 Iowa Acts, House File 825, includes
36 48 a provision appropriating moneys from the hospital
36 49 trust fund created in section 249I.4 to the department
36 50 of human services for the fiscal year beginning July
37 1 1, 2005, and ending June 30, 2006, to be used to
37 2 supplement the appropriations made for the medical
37 3 assistance program for that fiscal year, the
37 4 appropriation is reduced by \$22,900,000.

37 5 7. The department of human services may adopt
37 6 emergency rules pursuant to chapter 17A to implement
37 7 and administer the provisions of this Act.

37 8 8. The department of human services may procure
37 9 sole source contracts to implement any provision of
37 10 this Act.

37 11 9. The provisions of this Act amending 2003 Iowa
37 12 Acts, chapter 112, section 11, and repealing section
37 13 249A.20B, are retroactively applicable to May 2, 2003.

37 14 10. The section of this Act amending 2004 Iowa
37 15 Acts, chapter 1175, section 86, is retroactively
37 16 applicable to May 17, 2004.>

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37 20 CARROLL of Poweshiek

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37 24 SMITH of Marshall

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37 28 FOEGE of Linn

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37 32 UPMEYER of Hancock

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37 35

37 36 HEATON of Henry

37 37 HF 841.309 81

37 38 pf/cf/2103